

ASSEMBLY BILL

No. 782

Introduced by Assembly Member Brownley

February 17, 2011

An act to amend Sections 20222.5 and 22797 of the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 782, as introduced, Brownley. Public employee benefits: audits.

The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which provides a defined benefit to its members based on age at retirement, service credit, and final compensation. PERL authorizes the Board of Administrator of PERS during the course of an audit, to require each state agency, school employer, and contracting agency, to provide information or make available for examination or copying at a specified time and place, or both, books, papers, any data, or records, as deemed necessary by the board to determine the correctness of retirement benefits, reportable compensation, enrollment in, and reinstatement to, this system.

The Public Employees' Medical and Hospital Care Act also authorizes the board or an authorized representative to perform audits of each employer and to require the employer to provide information or make available for examination and copying books, papers, data, and records, as specified.

This bill would require the board to notify the subject of an audit, before initiating the audit, of the estimated time required to complete the audit. The bill would specify factors upon which the estimate would be based. The bill would authorize the board to assess a reasonable charge upon the employer to recover additional costs incurred for the

excess time to complete the audit if an audit requires an excess of the time estimated.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 20222.5 of the Government Code is
2 amended to read:

3 20222.5. (a) The board may, during the course of an audit,
4 require each state-~~agency~~ employer, school employer, including
5 each school district represented by a school employer, and
6 contracting agency, to provide information or make available for
7 examination or copying at a specified time and place, or both,
8 books, papers, any data, or records, including, but not limited to,
9 personnel and payroll records, as deemed necessary by the board
10 to determine the correctness of retirement benefits, reportable
11 compensation, enrollment in, and reinstatement to this system.

12 (b) *Before initiating an audit, the board shall notify the subject*
13 *of the audit of the estimated time required to complete the audit.*
14 *The estimate shall be based upon various factors, including, but*
15 *not limited to, the following:*

16 (1) *The number of employees.*

17 (2) *Employment classifications.*

18 (3) *Benefits.*

19 (4) *Contract provisions.*

20 (5) *Geographical location.*

21 (6) *Time required for audits of comparable entities.*

22 (c) *If an audit requires an excess of the time estimated, the board*
23 *may assess a reasonable charge upon the employer to recover*
24 *additional costs incurred for the excess time to complete the audit.*

25 ~~(b)~~

26 (d) The information obtained from an employer under this
27 section shall remain confidential pursuant to Section 20230.

28 SEC. 2. Section 22797 of the Government Code is amended
29 to read:

30 22797. (a) The board or an authorized representative may
31 perform audits of each employer and may, at a specified time and
32 place, require the employer to provide information or make
33 available for examination and copying books, papers, data, and

1 records, including, but not limited to, personnel and payroll records,
2 as deemed necessary by the board to determine compliance with
3 the provisions of this part. ~~The~~

4 *(b) Before initiating an audit, the board shall notify the subject*
5 *of the audit of the estimated time required to complete the audit.*
6 *The estimate shall be based upon various factors, including, but*
7 *not limited to, the following:*

8 *(1) The number of employees.*

9 *(2) Employment classifications.*

10 *(3) Benefits.*

11 *(4) Contract provisions.*

12 *(5) Geographical location.*

13 *(6) Time required for audits of comparable entities.*

14 *(c) If an audit requires an excess of the time estimated, the board*
15 *may assess a reasonable charge upon the employer to recover*
16 *additional costs incurred for the excess time to complete the audit.*

17 *(d) The information obtained from an employer shall remain*
18 *confidential.*